Government of Saskatchewan

Financial Statement 2003-2004

Cumberland Regional College

For the fiscal year ending June 30, 2004

Saskatchewan Centennial 2005

105-00533/

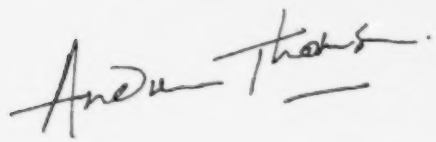
Letter of Transmittal

The Honourable Dr. Lynda M Haverstock
Lieutenant Governor
Province of Saskatchewan

Your Honour,

I have the honour to submit for your consideration the Financial Statements of the Cumberland Regional College for the year ending June 30, 2004.

Respectfully submitted,



Andrew Thomson
Minister of Learning

CUMBERLAND REGIONAL COLLEGE

FINANCIAL STATEMENTS

JUNE 30, 2004

Neumann & Neumann
Chartered Accountants

Board of Directors
Cumberland Regional College
Nipawin, Saskatchewan

AUDITORS' REPORT

We have audited the statement of financial position of Cumberland Regional College as at June 30, 2004 and the statements of operations, changes in net assets and cash flows for the year then ended. The College's management is responsible for preparing these financial statements for Treasury Board's approval. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the College as at June 30, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

September 3, 2004
Nipawin, Saskatchewan

CUMBERLAND REGIONAL COLLEGE

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2004

Statement 1

	2004			2003
	Operating	Capital	Total	Total
ASSETS				
Current Assets				
Cash	$1,443,742	$ 350,634	$1,794,376	$1,416,291
Accounts receivable (note 3)	190,422	--	190,422	169,372
Prepaid expenses	17,398	--	17,398	18,970
	1,651,562	350,634	2,002,196	1,604,633
Investments (note 4)	100,000	--	100,000	350,000
Capital Assets (note 5)	--	834,818	834,818	893,800
	$1,751,562	$1,185,452	$2,937,014	$2,848,433
LIABILITIES				
Current Liabilities				
Accrued salaries and benefits	$ 99,677	$ --	$ 99,677	$ 101,289
Accounts payable and accrued liabilities (note 7)	107,112	--	107,112	57,941
Unearned revenue (note 8)	624,192	--	624,192	628,393
	830,981	--	830,981	787,623
NET ASSETS				
Invested in capital assets	--	834,818	834,818	893,800
Restricted (note 9)	810,581	350,634	1,161,215	1,057,010
Unrestricted	110,000	--	110,000	110,000
	920,581	1,185,452	2,106,033	2,060,810
	$1,751,562	$1,185,452	$2,937,014	$2,848,433

APPROVED ON BEHALF OF THE BOARD

Director

Director

See accompanying notes

CUMBERLAND REGIONAL COLLEGE

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2004

Statement 2

	Operating			Capital		Total	
	2004 Budget (Note 11)	2004	2003	2004	2003	2004	2003
Revenues (Schedule 1)							
Provincial Government	$2,952,367	$2,778,381	$2,914,944	$ --	$ --	$2,778,381	$2,914,944
Federal Government	--	123,922	44,685	--	--	123,922	44,685
Other Revenue	691,641	935,732	803,577	--	--	935,732	803,577
Total revenues	3,644,008	3,838,035	3,763,206	--	--	3,838,035	3,763,206
Expenses (Schedule 2)							
Agency Contracts	526,640	613,478	619,532	--	--	613,478	619,532
Amortization	--	--	--	132,182	136,643	132,182	136,643
Equipment	104,596	80,684	82,188	--	--	80,684	82,188
Facilities	155,472	179,265	168,553	--	--	179,265	168,553
Information Technology	44,825	25,195	34,394	--	--	25,195	34,394
Operating (Schedule 3)	474,462	401,079	407,666	--	--	401,079	407,666
Personnel Services	2,455,383	2,360,929	2,377,931	--	--	2,360,929	2,377,931
Total expenses	3,761,378	3,660,630	3,690,264	132,182	136,643	3,792,812	3,826,907
Excess (deficiency) of revenues over expenses	$ (117,370)	$ 177,405	$ 72,942	$ (132,182)	$ (136,643)	$ 45,223	$ (63,701)

See accompanying notes

CUMBERLAND REGIONAL COLLEGE

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2004

Statement 3

	2004				2003
	Invested in capital assets	Restricted	Unrestricted	Total	Total
Net assets, beginning of year	$ 893,800	$1,057,010	$ 110,000	$2,060,810	$2,124,511
Excess (deficiency) of revenues over expenses	(132,182)	--	177,405	45,223	(63,701)
Interfund transfers:					
Investment in capital assets	73,200	--	(73,200)	--	--
Internally imposed restrictions	--	104,205	(104,205)	--	--
Net assets, end of year	$ 834,818	$1,161,215	$ 110,000	$2,106,033	$2,060,810

Restricted Details: (note 9)

	Balance, beginning of the year	To Restricted	From Restricted	Balance, end of the year
Internally Restricted				
Student Services	$ 1,125	$ --	$ (1,125)	$ --
Professional Development	10,000	21,974	(6,320)	25,654
Personal Professional Development	15,654	--	(15,654)	--
Programs	654,584	146,536	(16,194)	784,926
Capital	225,647	46,186	(71,198)	200,635
Nipawin Facility	150,000	--	--	150,000
	$1,057,010	$ 214,696	$ (110,491)	$1,161,215

See accompanying notes

CUMBERLAND REGIONAL COLLEGE

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2004 Statement 4

	2004	2003
Cash flows from operating activities		
Excess (deficiency) of revenues over expenses	$ 45,223	$ (63,701)
Amortization of capital assets	132,182	136,643
Net change in non-cash working capital (note 10)	23,880	(152,184)
	201,285	(79,242)
Cash flows from investing activities		
Purchase of capital assets	(73,200)	(79,353)
Decrease in investments	250,000	--
	176,800	(79,353)
Net increase (decrease) in cash	378,085	(158,595)
Cash, beginning of year	1,416,291	1,574,886
Cash, end of year	$1,794,376	$1,416,291

See accompanying notes

CUMBERLAND REGIONAL COLLEGE

SCHEDULE OF OPERATING FUND REVENUES BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2004

Schedule 1

	2004										
	General	Skills Training		Basic Education		University	Services		Total	2004 Budget (Note 11)	2003 Total
		Credit	Non-credit	Credit	Non-credit	Credit	Learner Support	Counsel			
Provincial Government											
Saskatchewan Learning	$1,368,523	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$1,368,523	$1,421,193	$1,304,283
Operating grant	--	850,625	7,446	387,461	45,000	--	29,958	--	1,320,490	1,438,224	1,397,131
Program payments	9,424	--	--	--	4,906	--	17,549	17,949	49,828	--	125,367
Other	1,377,947	850,625	7,446	387,461	49,906	--	47,507	17,949	2,738,841	2,859,417	2,826,781
	--	--	--	--	--	--	--	39,540	39,540	92,950	88,163
Other Provincial	1,377,947	850,625	7,446	387,461	49,906	--	47,507	57,489	2,778,381	2,952,367	2,914,944
Federal Government											
Admin recovery	--	--	--	--	--	--	--	--	--	--	--
Seat purchases	--	--	--	--	--	--	--	--	--	--	--
Projects	--	--	--	--	--	--	120,872	--	120,872	--	29,685
Other	3,050	--	--	--	--	--	--	--	3,050	--	15,000
	3,050	--	--	--	--	--	120,872	--	123,922	--	44,685
Other Revenue											
Admin recovery	3,933	--	--	--	--	--	--	--	3,933	8,362	14,501
Contracts	33,363	46,270	8,910	256,111	954	2,053	687	--	348,348	194,343	346,023
Interest	74,007	--	--	--	--	--	--	--	74,007	75,000	73,612
Rents	4,429	--	--	--	--	--	--	--	4,429	--	1,500
Resale Items	553	32,737	15,214	--	1,453	25,405	--	--	75,362	103,000	78,139
Tuitions	--	190,097	78,740	--	4,012	4,176	4,718	--	281,743	302,036	263,268
Other	20,684	13,138	1,477	--	24,371	62,725	25,515	--	147,910	8,900	26,534
	136,969	282,242	104,341	256,111	30,790	94,359	30,920	--	935,732	691,641	803,577
Total revenue	1,517,966	1,132,867	111,787	643,572	80,696	94,359	199,299	57,489	3,838,035	3,644,008	3,763,206
Total operating fund expenses (Schedule 2)	1,432,321	943,750	99,374	454,685	98,705	177,079	319,696	135,020	3,660,630	3,761,378	3,690,264
Excess (deficiency) of revenues over expenses	$ 85,645	$ 189,117	$ 12,413	$ 188,887	$ (18,009)	$ (82,720)	$ (120,397)	$ (77,531)	$ 177,405	$ (117,370)	$ 72,942

CUMBERLAND REGIONAL COLLEGE

SCHEDULE OF OPERATING FUND EXPENSES BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2004

Schedule 2

	2004										
	General	Skills Training		Basic Education		University	Services		Total	2004 Budget (Note 11)	2003 Total
		Credit	Non-credit	Credit	Non-credit	Credit	Learner Support	Counsel			
Agency Contracts	$ --	$ 536,453	$ 11,998	$ 4,017	$ 6,358	$ 16,640	$ 37,633	$ 379	$ 613,478	$ 526,640	$ 619,532
Equipment	61,676	6,876	38	1,883	603	849	9,229	4,101	85,335	104,596	82,188
Facilities	124,165	45,509	368	--	2,816	1,756	--	--	174,614	155,472	168,553
Information Technology	17,866	1,222	1,755	128	--	--	952	3,272	25,195	44,825	34,394
Operating (Schedule 3)	181,333	74,443	41,377	24,320	5,476	45,675	20,713	7,742	401,079	474,462	407,666
Personnel services	1,047,281	279,247	43,838	424,337	83,372	112,159	251,169	119,526	2,360,929	2,455,383	2,377,931
	$1,432,321	$ 943,750	$ 99,374	$ 454,685	$ 98,705	$ 177,079	$ 319,696	$ 135,020	$3,660,630	$3,761,378	$3,690,264
			$1,043,124		$ 553,390			$ 454,716			

CUMBERLAND REGIONAL COLLEGE

SCHEDULE OF OPERATING EXPENSES
FOR THE YEAR ENDED JUNE 30, 2004

Schedule 3

	2004 Budget (Note 11)	2004 Total	2003 Total
Advertising	$ 48,375	$ 49,562	$ 50,382
Association Fees and Dues	8,775	8,146	8,234
Bad Debts	--	--	--
Financial Services	865	837	631
In-Service	13,384	8,513	12,611
Insurance	7,674	8,418	6,925
Materials and Supplies	97,141	60,913	89,724
Postage, Freight and Courier	11,110	13,694	11,960
Printing and Copying	16,900	15,460	16,360
Professional Services	35,400	34,718	13,353
Resale Items	100,000	82,069	72,634
Subscriptions	2,895	1,782	2,582
Telephone and Fax	44,655	43,412	41,361
Travel	73,963	62,169	67,651
Other	13,325	11,386	13,258
	$474,462	$401,079	$407,666

1. PURPOSE AND AUTHORITY

The Cumberland Regional College offers educational services and programs under the authority of Section 14 of *The Regional Colleges Act*. The College Board plays an integral part in strategic direction and management guidance.

The purpose of the Colleges is to provide credit and non-credit classroom and vocational training to meet the needs of the regional constituents and industry. The Cumberland Regional College is exempt from the payment of income tax.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant policies:

(a) Fund Accounting

The accounts of the College are maintained in accordance with the principles of fund accounting. For accounting and reporting purposes, resources are classified into funds in accordance with specified activities or objectives:

(i) Operating Fund

The operating fund accounts for the College's program delivery, service and administrative activities.

(ii) Capital Fund

The capital fund reflects the net book value of all capital assets of the College after taking into consideration any associated long term debt. The capital fund also includes contributions, interest and donations designated for capital purposes by the contributor. Also included in the capital fund are the appropriations for future capital expenditures.

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

(b) Revenue recognition

The College follows the restricted fund method of accounting for grants. Restricted contributions related to general operations are recognized as revenue of the operating fund in the year that the related expenses are incurred. Contributions restricted for capital assets are recognized as revenue of the capital fund when received or receivable.

Unrestricted operating contributions are recognized as revenue of the operating fund when received or receivable. Tuition and fee revenue is recognized as the course instruction is delivered. Revenue from contractual services is recognized as the service is delivered.

(c) Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Capital assets costing under $500 are expensed in the current year. Capital assets are amortized on a straight-line basis over their estimated useful lives as follows, and amortization is reported as an expense in the capital fund.

Buildings	5%
Leasehold improvements	5%
Furniture and equipment	10% to 33%
Vehicles	20%

(d) Cash

Cash is represented by cash on hand and balances with banks.

(e) Investments

Investments are recorded at the lower of cost and market value.

3. ACCOUNTS RECEIVABLE

Accounts receivable are composed of the following:

	2004	2003
Saskatchewan Learning	$120,905	$105,552
Federal government	6,004	13,467
Other	63,513	50,353
	$190,422	$169,372

4. INVESTMENTS

Investments consist of:

	Interest Rate	Maturity Date	2004	2003
Sask Savings Bond	5.00%	July, 2003	$ --	$250,000
Sask Savings Bond	5.75%	July, 2005	100,000	100,000
			$100,000	$350,000

5. CAPITAL ASSETS

	2004			2003
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Buildings	$ 973,612	$388,445	$585,167	$ 633,848
Leasehold improvements	258,242	96,918	161,324	137,777
Furniture/ equipment	485,498	397,171	88,327	122,175
Vehicles	23,486	23,486	--	--
	$1,740,838	$906,020	$834,818	$ 893,800

6. LEASE OBLIGATIONS

The College is committed under an annual term lease for office space at the following minimum amount for the next year (exclusive of proportionate increases and additional occupancy costs - the lease is negotiated annually):

2005	$21,250

The College is committed under an operating lease for office equipment as follows:

2005	$24,570
2006	24,570
2007	10,238

7. ACCOUNTS PAYABLE

Accounts payable are composed of the following:

	2004	2003
Province of Saskatchewan	$ 522	$ 454
Federal government	51,677	1,813
Other	54,913	55,674
	$107,112	$ 57,941

8. UNEARNED REVENUE

Unearned revenue consists of transfers received to carry out specific activities in excess of the expenses incurred on those activities at the end of the fiscal year as follows:

	2004	2003
Saskatchewan Learning	$624,192	$621,764
Federal Government	--	6,629
	$624,192	$628,393

9. RESTRICTIONS ON NET ASSETS

During the year the Board of Directors have placed internal restrictions on $214,696 (2003 - $164,677) of unrestricted net assets to be used for various purposes as indicated on Statement 3.

10. NET CHANGE IN NON-CASH WORKING CAPITAL

	2004	2003
Accounts receivable	$ (21,050)	$ 26,535
Prepaid expenses	1,572	(1,330)
Accounts payable, salaries payable and accrued vacation payable	47,559	(82,863)
Unearned revenue	(4,201)	(94,526)
Net increase (decrease) in cash	$ 23,880	$(152,184)

11. BUDGET AMOUNTS

The budget amounts on these financial statements were prepared by Regional College Management and approved by the Board on May 6, 2003. The Minister approved the budget on June 24, 2003.

12. RELATED PARTY TRANSACTIONS

These financial statements include transactions with related parties. The College is related to all Saskatchewan Crown Agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the College is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms.

12. RELATED PARTY TRANSACTIONS cont'd

Related party expenses during the year were as follows:

	2004	2003
SaskTel	$ 43,412	$ 47,060
Sask Property Management Corp.	58,070	57,189
University of Saskatchewan	37,361	65,616
University of Regina	2,368	3,177
	$141,211	$173,042

Other transactions with related parties are disclosed elsewhere in these financial statements.

13. FINANCIAL INSTRUMENTS

The College's significant financial instruments consist of cash, accounts receivable, investments, accounts payable and accrued benefits.

(a) The carrying amount of cash, accounts receivable, accounts payable and accrued benefits approximates fair market value due to the short term maturity of these instruments. There are no significant terms or conditions related to these financial instruments that may affect the amount, timing, or certainty of future cash flows.

The fair market value of investments is considered to approximate market value which is $100,000 (2003 - $350,000).

(b) The college is exposed to credit risk from the potential non-payment of accounts receivable. The majority of the college's receivables are from the provincial and federal government, therefore, credit risk is minimal.

14. EMPLOYEE FUTURE BENEFITS

Employees of the College participate in one of three pension plans. Teachers and other employees holding a teaching certificate participate in a defined benefit plan, the Teachers' Superannuation Plan (TSP) or the Saskatchewan Teachers Retirement Plan (STRP) which are administered by the Teachers' Superannuation Commission. The Board has no financial obligation to TSP or STRP.. Eligible employees contribute to TSP and STRP for their current service. No matching contribution is made by the College. The General Revenue Fund is responsible for the required employer contributions of the STRP and for the financial obligations of the TSP. All other employees participate through Municipal Employees' Pension Plan (MEPP) which is also a multi-employer defined benefit plan.

The last actuarial valuation of the MEPP indicated there was a surplus in the plan. The College's financial obligation to the MEPP is limited to making required payments to match amounts contributed by employees for current services. Pension expense for the year amounted to $50,898 (2003 - $51,953).

CUMBERLAND REGIONAL COLLEGE
PERSONAL SERVICE LISTING
FOR THE YEAR ENDED JUNE 30, 2004
"UNAUDITED"

ALLEN, DOROTHY	$	32,933
ANDERSON, IAN	$	35,808
BARNETT, DIANE	$	4,166
BAYNE, BONNY	$	12,219
BEDEL, JULIE	$	57,900
BILLY, JAMES	$	3,585
BOE, MYRNE	$	28,745
BONE, DAVID	$	2,602
BORTIS, CRYSTAL	$	4,671
BOTHOREL, BEVERLY	$	43,009
BOXALL, ANNE	$	29,840
BRADY, DONELDA	$	45,326
COATES, SHERILYN	$	22,843
COLLINS, DARRELL	$	7,572
CONSTANT, LORI	$	9,117
CROPPER, DOROTHY	$	12,701
DECK, BARB	$	3,662
DEOBALD, CARA	$	35,680
DOBSON, GERRY	$	4,130
DYCK, JANICE	$	26,333
ELCHUK, MARGARET	$	2,784
FRISKE, CHRISTINA	$	5,939
GOERTZEN, BETH	$	37,790
HARDWICKE, MIKE	$	45,331
HEIDE, PAT	$	43,997
HINRICHSEN, JEANNINE	$	6,460
HOESS, JOHN	$	13,160
HUMPHRIES, JACQUELINE	$	2,955
HUMPHRIES, SHERYL	$	34,630
JOINSON, RANDY	$	26,184
JONES, KATHLEEN	$	40,696
KERSLAKE, LINDA	$	53,856
KEZEMA, KIRK	$	32,000
KIRKLAND, SHERRIE	$	22,247
KOZUN, RUTH	$	8,217
KULPA, JIM	$	20,697
LAM MA, CORINNE	$	49,591
LIDSTER, JEAN	$	30,179
MCAULEY-ELLIOTT, LINDA	$	38,964
MCBAIN, JENNIFER	$	32,135
MCMUNN, DARA	$	50,617
MCPHEE, LYNDA	$	53,856
MCRAE-EWEN, CARMEN	$	5,689

CUMBERLAND REGIONAL COLLEGE
PERSONAL SERVICE LISTING
FOR THE YEAR ENDED JUNE 30, 2004
"UNAUDITED"

MELLON, BRENDA	$	57,900
MUIR, DIANE	$	8,259
MUSHINSKI, VALERIE	$	91,704
NEELY, SANDRA	$	47,011
NEUFELD, DARCY	$	25,200
NIELSEN, LAURIE	$	25,572
PASLOWSKI, MYRA	$	13,870
PRYOR, JACK	$	26,440
RELLAND, LIANNE	$	12,377
ROMMEL, GLORIA	$	14,982
SERACK, LESLEE	$	71,724
SINGER, VICKIE	$	3,886
SOLSTEN, JOY	$	57,900
STAPLES, ANDREA	$	32,405
STEPHANSON, NORMA	$	8,085
STEPHENSON, SANDRA	$	56,289
STOLEARCIUS, JENNIFER	$	38,916
TAYLOR, MAURICE	$	3,300
TEALE, CORY	$	53,856
TURGEON, DEBBIE	$	45,354
VALLEAU, ELAINE	$	49,032
VERKLAN, TIM	$	4,883
WATSON, HELEN	$	2,730
WEBSTER, TRUDI	$	35,353
WIEBE, DENNIS	$	37,006
WIEBE, ELEANOR	$	35,159
ZALES, PAT	$	41,688
ZAZELENCHUK, DEBBIE	$	44,001
TOTAL	**$**	**2,025,696**

CUMBERLAND REGIONAL COLLEGE
OVER $20,000 PAYEE SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2004
UNAUDITED

Association of Saskatchewan Regional Colleges	$21,000
Blue Cross	$87,504
Big Sky Farms Inc.	$69,499
Nipawin Journal	$21,176
Hudson Bay School Division	$20,000
S.I.AS.T. Kelsey Campus	$202,890
Melfort Tiger Lily School Division	$102,928
Municipal Employees Pension Plan	$101,543
Nipawin School Division	$41,979
S.I.A.S.T. Woodland Campus	$100,015
Prince Albert Photocopier	$31,363
Receiver General	$604,239
Sask. Property Management Corp.	$58,105
Sask. Government Employees Union	$50,115
SaskTel	$475,773
Sask Teachers Retirement Plan	$24,869
Teachers' Superannuation Fund	$28,208
TSL Computers	$25,061
Tisdale School Division #53	$48,283
University of Saskatchewan	$37,105
S.I.A.S.T. Wascana Campus	$126,502
Total	$2,278,157